

SENATE BILL 478

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Q3

2004 Regular Session  
4r2537  
CF 4r2495

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By: **Senators Jones, Conway, Della, Exum, Forehand, Grosfeld, and Pinsky**  
Introduced and read first time: February 6, 2004  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Millionaires' Tax Surcharge**

3 FOR the purpose of altering the State income tax rate for certain individuals;  
4 requiring the Comptroller to waive certain interest and penalty for a certain  
5 taxable year; providing for the application of this Act; and generally relating to  
6 the Maryland income tax.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - General  
9 Section 10-105(a)  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 2003 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Tax - General**

15 10-105.

16 (a) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
17 SUBSECTION, THE State income tax rate for an individual is:

18 [(1)] (I) 2% of Maryland taxable income of \$1 through \$1,000;

19 [(2)] (II) 3% of Maryland taxable income of \$1,001 through \$2,000;

20 [(3)] (III) 4% of Maryland taxable income of \$2,001 through \$3,000; and

21 [(4)] (IV) [for] 4.75% OF Maryland taxable income in excess of \$3,000[.].

22 [(i)] 4.875% for a taxable year beginning after December 31, 1997  
23 but before January 1, 1999;

24 [(ii)] 4.85% for a taxable year beginning after December 31, 1998 but  
25 before January 1, 2000;

1 (iii) 4.85% for a taxable year beginning after December 31, 1999 but  
2 before January 1, 2001;

3 (iv) 4.8% for a taxable year beginning after December 31, 2000 but  
4 before January 1, 2002; and

5 (v) 4.75% for a taxable year beginning after December 31, 2001.]

6 (2) FOR AN INDIVIDUAL WHOSE MARYLAND TAXABLE INCOME EXCEEDS  
7 \$500,000, THE STATE INCOME TAX RATE IS 7.75% OF ALL MARYLAND TAXABLE  
8 INCOME.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the Comptroller shall  
10 waive any interest or penalty imposed on an individual relating to payment of  
11 estimated income tax for calendar year 2004 to the extent the Comptroller determines  
12 that the interest or penalty would not have been incurred but for an increase in the  
13 income tax rates for calendar year 2004 under this Act.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
15 effect July 1, 2004, and shall be applicable to all taxable years beginning after  
16 December 31, 2003.